From: <u>Stephen Kehayes</u>

To: <u>Janine MacGregor</u>; <u>Michael Burlingame</u>; <u>Ray Basso</u>; <u>Butler</u>, <u>Elizabeth</u>

Subject: Diamond Alkali

Date: Wednesday, May 4, 2011 1:51:46 PM

According to Ted Schwartz, attorney for The Morris Companies, the Sherwin wall will be 10 feet in from the existing steel bulkhead. A construction schedule will be forwarded to me shortly. The construction specs are 40% done and will be forwarded to me once done. I'll share both with you. They're planning to start in August.

If Sherwin & Tierra start their waterfront work around the same time, then perhaps both should start their wall from the eastern end of their waterfronts. That way, Sherwin, hopefully, will be out of the 50' overlap area by the time Tierra gets there.

During the access conversation between Morris & Tierra last week, Tierra reportedly threatened that, if Morris didn't cooperate fully, the regulators will "take care of" them. Interesting approach... Regardless, Morris is not adverse to working cooperatively on the bulk head tie in.

more later...

Steve